

Stadium Private Development Agreement



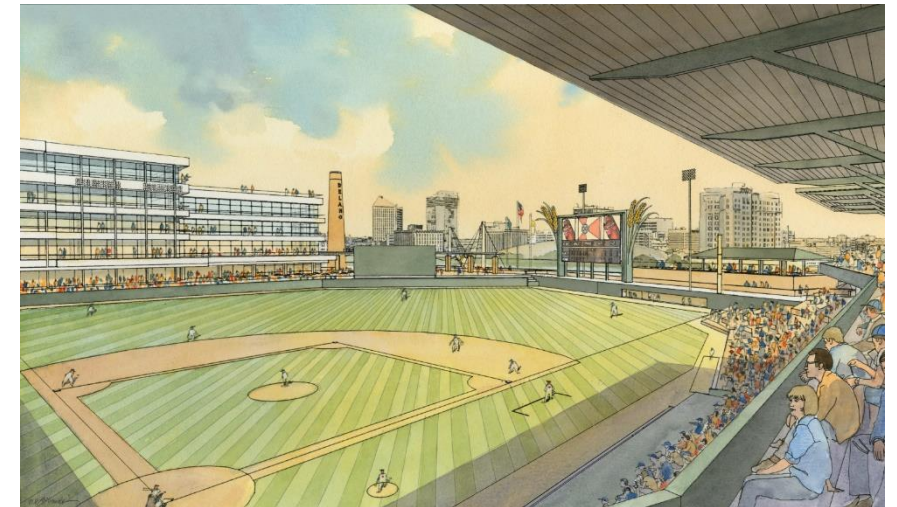
March 5, 2019



West Bank Redevelopment

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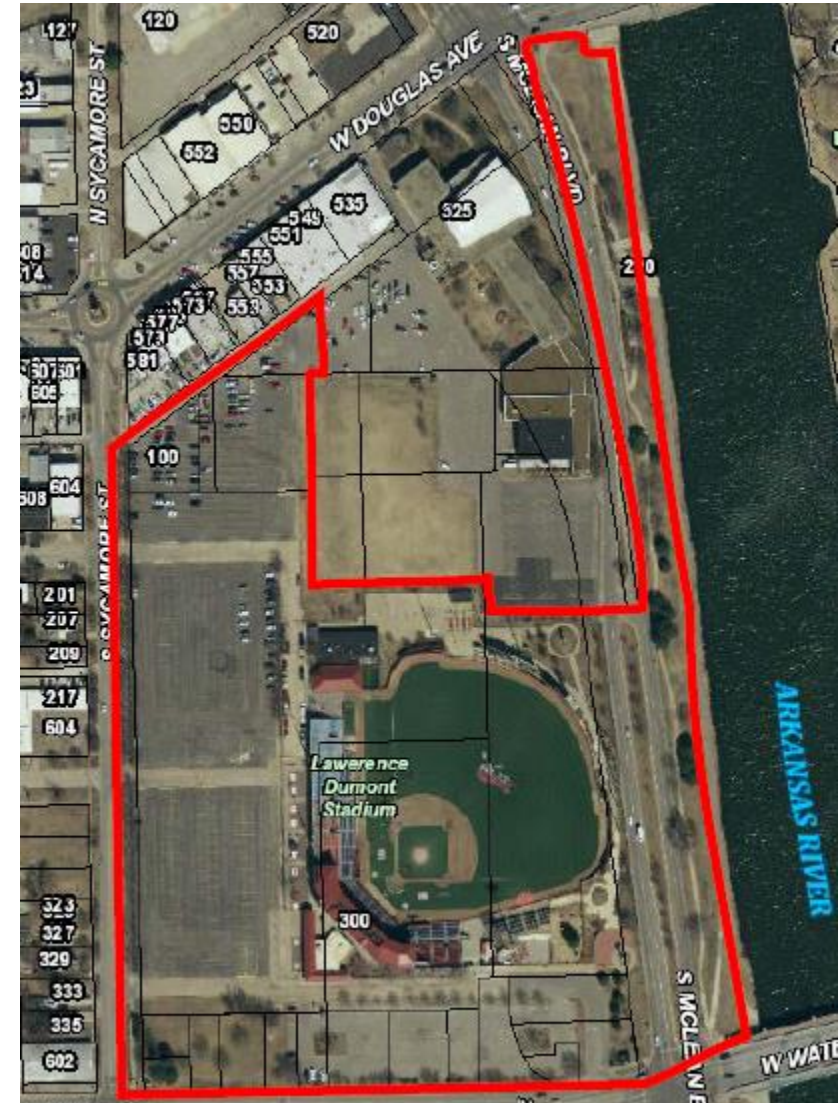
- City initiated effort to attract AA/AAA baseball in early 2017
- Multi-sports stadium – anchored by affiliated baseball
- Baseball museum
- Projected 888,400 visitors annually
- River bank improvements
- Pedestrian bridge (Stadium to Performing Arts Complex)



West Bank Redevelopment

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- City owned property totals 24 acres
- In an effort to attract an affiliated baseball ownership to move from an existing market, the City had to provide certain commitments & opportunities
 - Build and open new stadium in compressed timeline
 - Provide assurances that financing was already in place and secured
 - Provide adjacent development opportunity to ownership group



Stadium Financing Funds

Through 2017 & 2018 the City identified and secured financing tools

- STAR Bonds
- Tax Increment Financing (TIF)
- Community Improvement District (CID)
- General Obligation Bonds (GOB)

Ballpark Village Financing

	Stadium/ Museum	Bridge	Riverbank	Parking and Infrastructure	Total
STAR PH 1	\$ 17.00	\$ 1.00	\$ 1.00	\$ -	\$ 19.00
STAR PH 2	\$ 21.00				\$ 21.00
TIF	\$ 9.00	\$ 1.00	\$ 2.00	\$ 2.00	\$ 14.00
CID	\$ 12.00	\$ 1.00			\$ 13.00
GO	\$ 16.00		\$ -		\$ 16.00
Total	\$ 75.00	\$ 3.00	\$ 3.00	\$ 2.00	\$ 83.00

Triple-A Baseball-New Stadium

- Pacific Coast League-New Orleans franchise filed application to relocate to Wichita in a new Triple A quality stadium
- City, Minor League Baseball (MiLB), Pacific Coast League (PCL) and Team negotiated agreements to move to Wichita
- Ballpark Development Agreement and Facility Use Management Agreement details each party's commitment



Ballpark Development Agreement

Under the Ballpark Development Agreement the City committed to the following:

- Design and Construction of a new multi-sport stadium to house a Pacific Coast League, Triple-A baseball franchise at a cost not to exceed \$75M
- The stadium shall be completed by March 15, 2020 unless extended by mutual agreement

Ballpark Development Agreement

In exchange for the City's commitment, the Team committed to the following:

- Relocate the New Orleans Triple-A franchise to Wichita
- Contribute approximately \$5-7.5 million for furniture, fixtures and equipment (FF&E) in the Ballpark
- A CID on applicable revenue generated by the Team operations at the Ballpark. The CID will start upon the completion of the Ballpark Improvements

Facility Use Management Agreement

Under the Facility Use Management Agreement, the City and the Team agreed to the following:

- Initial management agreement term of twenty (20) years with two, five (5) year extensions
- Initial management agreement fee that the Team will pay each year will be \$350,000. At each five year interval, the fee will increase (it can't decrease) by the average CPI increase over the past five years
- Team will pay all utilities
 - Team will keep and maintain Ballpark Site and fixtures
 - Includes interior and exterior of the Ballpark site

Facility Use Management Agreement

- The Team and City will jointly secure a naming rights agreement for the Ballpark. Proceeds will be applied to first, hard and soft costs, second, then up to \$250,000 to the City and remainder will go to the team.
- Team will support the establishment of a CID to cover the Ballpark but that it shall not become effective until after completion of the Ballpark.
- Twenty (20) year management agreement term

Private Development Agreement

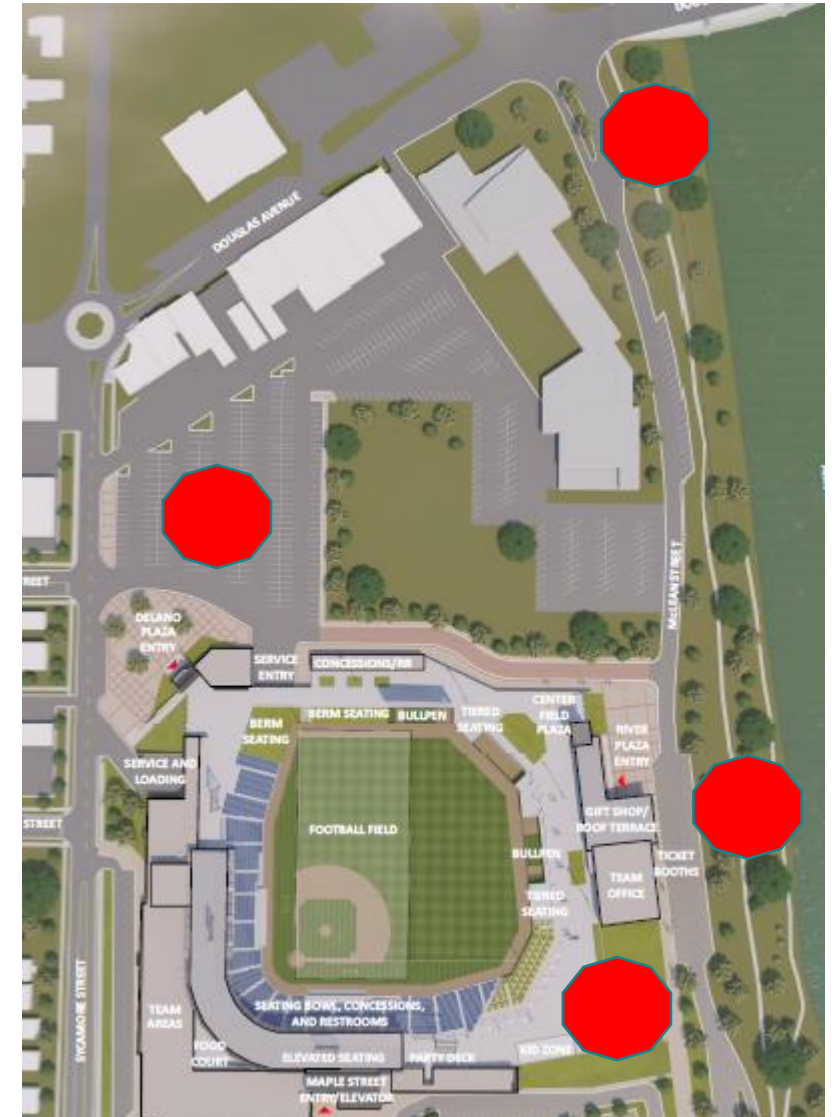
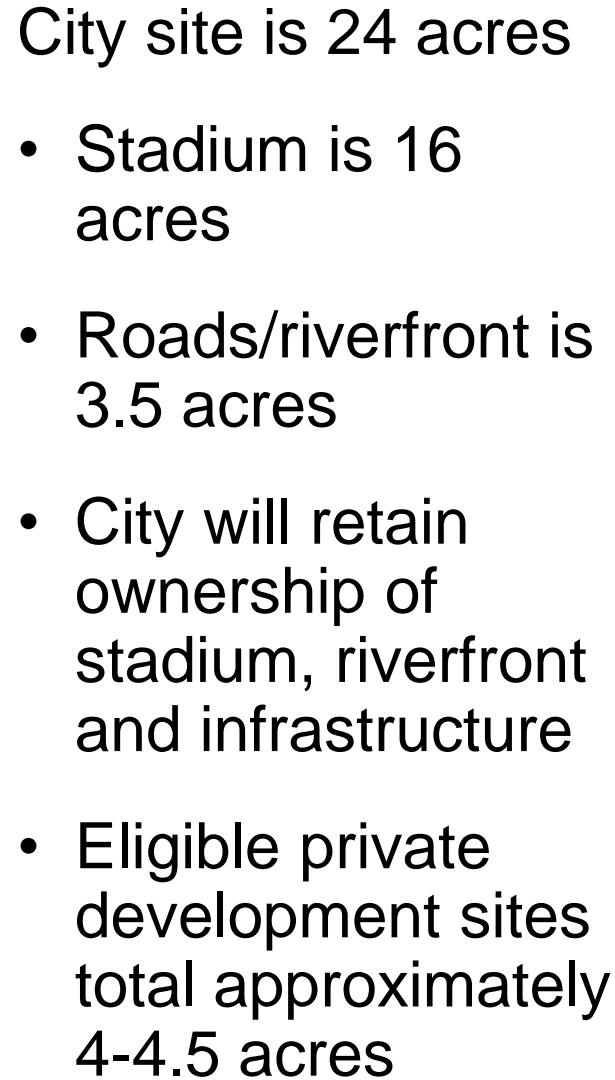
The Private Development Benchmarks require the Developer to commence construction and to advance construction of the Private Development Site in three (3) phases:

- Phase I: Within ninety (90) days of the Opening Date, the Developer shall exercise the Purchase Rights to purchase the Private Development Site by delivery of an Election to Purchase to the City. Within fifteen (15) months of Opening Date, if occurring in 2020, the Developer shall commence construction of not less than 30,000 square feet of commercial development comprising ground floor retail, restaurants and/or hotel/hospitality space. Development shall be completed within eighteen (18) months of Commencement of Construction of the Phase One Development.

Private Development Agreement

- Phase II: Construction shall commence within twelve (12) months after the Completion of Construction of the Phase One Development. The Phase Two Development shall consist of the construction of not less than 20,000 square feet of commercial space. Completion of Construction for the Phase Two Development to occur within eighteen (18) months of the Commencement of Construction.
- Phase Three Development shall commence within twelve (12) months after the Completion of Construction of the Phase Two Development and shall consist of the construction of not less than 15,000 square feet of commercial space. Completion of Construction for the Phase Three Development shall be completed within eighteen (18) months of Commencement of Construction of the Phase Three Development.

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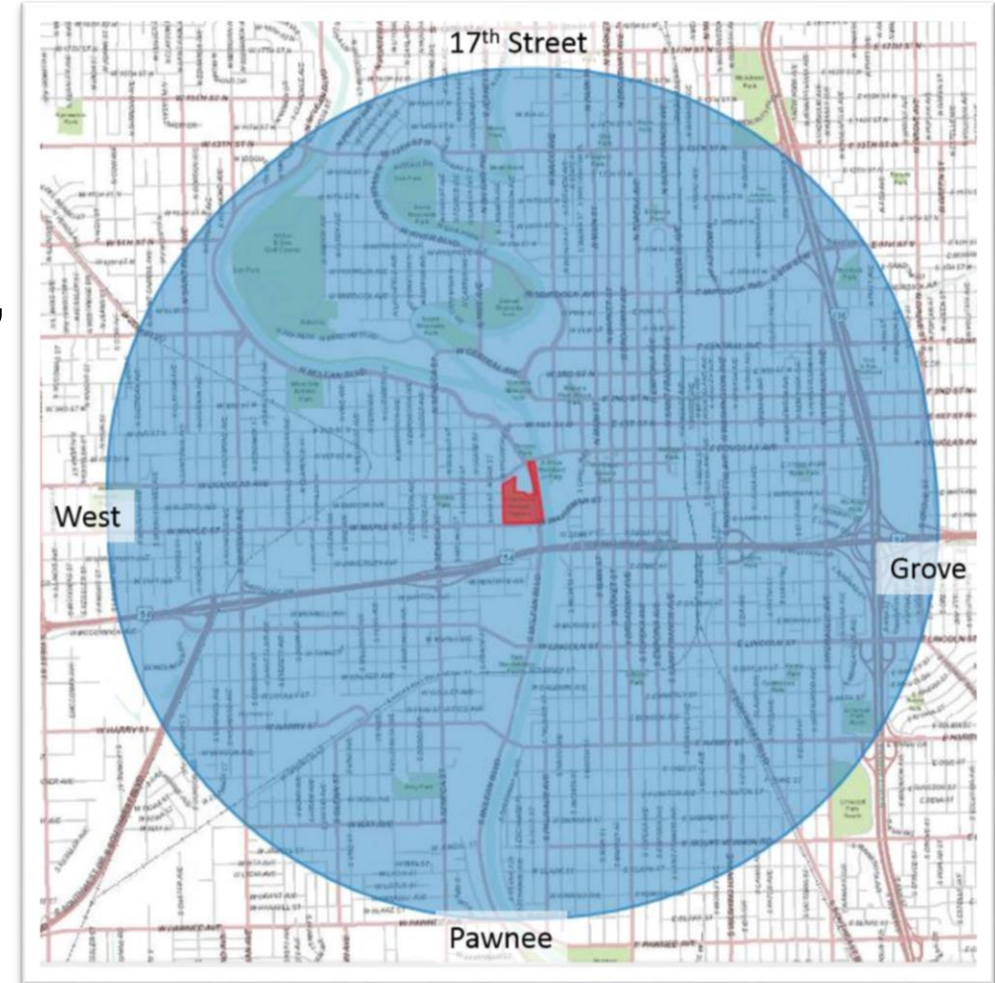


Private Development Agreement

- If the Developer fails to Commence Construction on any Phase by the appointed time or fails to complete construction of any Phase of development within the appointed time, the City may choose to repurchase the site at the original sale price. Any failure to start or complete will also forfeit any right of the Developer to any future phase of development.

Private Development Agreement

- For a period of ten (10) years after the Completion of Construction for the Phase One Development, Developer and each of its members hereby agrees and consents that it shall not, directly or indirectly, market, solicit, promote or attempt to lease commercial space in the Private Development to then-current tenants of properties located within a distance of two (2) miles extending from the outside boundary of the Private Development Site.
- The Developer will design and engineer the Private Development in accordance with the Ballpark Village Master Plan and the Delano Neighborhood Plan.



Private Development Agreement- Ballpark Village Masterplan Elements

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Private Development Agreement- Design Elements

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Private Development Agreement

- City grants the Developer exclusive right to purchase the Private Development Site for the development of the hospitality, commercial, retail, office and residential uses, as contemplated herein, for \$1.00 an acre.
- The Hotel flag for any Hotel within the Private Development must be approved in writing by the City, which approval shall not be withheld if such Hotel flag qualifies as an upscale hotel sector or better as defined by Smyth Travel Research as published from time to time, which includes as of the Effective Date, hotels such as Aloft, Courtyard, Double Tree, Four Points, Great Wolf Lodge, Hilton Garden Inn, Hyatt Place, Hyatt House, Radisson, and Springhill Suites.

Private Development Site

- The City represents that the Development Site will be located within the Planned Unit Development. The Parties agree that neither Party will be required or obligated to replace any parking lost or removed as part of the development contemplated on the Private Development Site.
- The City shall redesign and reconstruct McLean Boulevard, at its sole cost and expense, into a pedestrian-friendly two-way public street, the primary purpose of which shall be to encourage pedestrian and bike access alongside vehicular traffic. Such improvements shall be completed and made operational as soon as reasonably possible, but in all events, prior to the Opening Date.

Private Development Agreement

- The intersection of McLean Boulevard and Douglas Avenue as marked on the site map shall not be developed for commercial and retail purposes for a period of ten (10) years after the closing on the purchase of the Private Development Site unless otherwise approved by the City. While the Developer is restricted from developing as described above, the City will permit the Developer, after the purchase of the Private Development Site, to present for approval by the City, for plan and location on the McLean Corridor, a private amusement development feature open and available for use by the public.



Private Development Agreement

- Due to the City providing less than the anticipated 7-9 acres adjacent to the Stadium, the City has provided additional property for development
- The City owns property consisting of 2.63 acres located north of the Drury Plaza Hotel Broadview on the southwest corner of West 1st Street and Waco Avenue. The City hereby grants Developer the option to purchase the Option Property at any time on or before the ninth (9th) anniversary of purchasing the private development property.

1st and Waco Parcel



Private Development Agreement

- The Developer may exercise its right to purchase the Option Property at any time during the Option Period. The City and the Developer agree that the Developer shall pay the purchase price to the City, payable in equal annual installments over seven (7) years beginning on the first (1st) anniversary of the exercise of the Option to Purchase.
- Developer shall not be required to pay any fees to the City for such Option during the first five (5) years of the Option Period. Beginning on the fifth (5th) anniversary of the date of closing on the purchase of the Private Development Site, if the Developer has not previously exercised its Option, Developer shall be obligated to pay to the City an annual non-refundable option fee of \$25,000.
- Development of the Option Site shall be consistent with the development parameters as set forth in the Project Downtown Catalyst Site 2 plan.

Private Development Agreement

- The purchase price for the Option Property shall be determined by the type of improvements Developer constructs within the McLean Corridor: (i) the purchase price shall be One Million Five Hundred Thousand Dollars (\$1,500,000) for the Option Property if a City-approved private amusement feature open and available to the public is constructed in the McLean Corridor, or (ii) the purchase price shall be One Million Dollars (\$1,000,000) for the Option Property if a City-approved commercial/retail development is constructed in the McLean Corridor.

Private Development Agreement

- The Developer or an affiliate entity shall not contest nor protest the amount of the ad valorem taxes or the tax valuation regarding the Private Development so long as the TIF District bonds, the CID bonds and/or STAR Bonds remain outstanding.
- Prior to the commencement of any phase the City shall pay, construct and deliver water, sewer and stormwater utilities to the public right of ways to adequately supply and make available utilities for Developer to support the range and size of the development anticipated.



WICHITA 2020 STADIUM ENTERTAINMENT DISTRICT

Private Development Agreement- ROI

- Combining the Team's financial commitments and the Team's private development group commitments, the two groups will generate over \$38M in revenue to the City.
- The \$38M equates to over 50% of the \$75M stadium debt repayment.

			STAR Bonds	TIF	CID	Naming Rights	Management fee	Total	
1	2019								
2	2020		\$ 326,351		\$ 101,584	\$ 250,000	\$ 350,000	\$ 1,027,935	
3	2021		\$ 443,837	\$ 221,268	\$ 130,704	\$ 250,000	\$ 350,000	\$ 1,395,809	
4	2022		\$ 452,714	\$ 271,867	\$ 133,318	\$ 250,000	\$ 350,000	\$ 1,457,899	
5	2023		\$ 461,768	\$ 314,352	\$ 135,984	\$ 250,000	\$ 350,000	\$ 1,512,105	
6	2024		\$ 471,004	\$ 358,428	\$ 138,704	\$ 250,000	\$ 350,000	\$ 1,568,135	
7	2025		\$ 719,988	\$ 365,597	\$ 141,478	\$ 250,000	\$ 350,000	\$ 1,827,063	
8	2026		\$ 840,095	\$ 372,908	\$ 144,307	\$ 250,000	\$ 350,000	\$ 1,957,311	
9	2027		\$ 856,897	\$ 380,367	\$ 147,194	\$ 250,000	\$ 350,000	\$ 1,984,457	
10	2028		\$ 1,010,772	\$ 387,974	\$ 150,137	\$ 250,000	\$ 350,000	\$ 2,148,884	
11	2029		\$ 1,101,171	\$ 395,733	\$ 153,140	\$ 250,000	\$ 350,000	\$ 2,250,045	
12	2030		\$ 1,123,195	\$ 403,648	\$ 156,203	\$ 250,000	\$ 350,000	\$ 2,283,046	
13	2031		\$ 1,145,659	\$ 411,721	\$ 159,327	\$ 250,000	\$ 350,000	\$ 2,316,707	
14	2032		\$ 1,168,572	\$ 419,955	\$ 162,514	\$ 250,000	\$ 350,000	\$ 2,351,041	
15	2033		\$ 1,191,943	\$ 428,355	\$ 165,764	\$ 250,000	\$ 350,000	\$ 2,386,062	
16	2034		\$ 1,215,782	\$ 436,922	\$ 169,079	\$ 250,000	\$ 350,000	\$ 2,421,783	
17	2035		\$ 1,240,098	\$ 445,660	\$ 172,461	\$ 250,000	\$ 350,000	\$ 2,458,219	
18	2036		\$ 1,264,900	\$ 454,573	\$ 175,910	\$ 250,000	\$ 350,000	\$ 2,495,383	
19	2037		\$ 1,290,198		\$ 179,428	\$ 250,000	\$ 350,000	\$ 2,069,626	
20	2038		\$ 438,667		\$ 183,017	\$ 250,000	\$ 350,000	\$ 1,221,684	
21	2039				\$ 186,677	\$ 250,000	\$ 350,000	\$ 786,677	
22	2040				\$ 190,411			\$ 190,411	
23	2041				\$ 194,218.80			\$ 194,219	
24	2042				\$ 198,103.17			\$ 198,103	
			\$ 16,763,610	\$ 6,069,329	\$ 3,669,662	\$ 5,000,000	\$ 7,000,000	\$ 38,502,601	

Private Development Agreement

- Staff is recommending no action today but will return on March 19, 2019 to request Council approval of the Private Development Agreement.